

Subcommittee on Family Farms,  
Rural Development, and Special Studies  
Room 1301, Longworth House Office Building

Washington, D.C. 20515

November 14, 1978

[illegible]

OLC #7335/0

Mr. Frederick Hitz  
Legislative Counsel  
Central Intelligence Agency  
Washington, D. C. 20505

Dear Mr. Hitz:

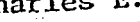
Many problems surrounding the effectiveness of the export sales reporting provisions of section 812 of the Agricultural Act of 1970 surfaced during our hearings on the Farm Bill in the 95th Congress. As you know, a U.S. Department of Agriculture (USDA) Interagency Task Force is studying the issue of export sales reporting at this time and is scheduled to submit a report to the Congress, as required by section 603 of the Agricultural Trade Act of 1978, by January 3, 1979.

A substantial number of farmers appearing before the Committee on Agriculture during hearings held in the 95th Congress and a substantial number of farmers who have contacted me personally were-critical of the USDA's crop reporting system during 1977. For instance, apparently at the very time USDA officials were negotiating an increase in commitments of grain sales to Russia (USSR) by the United States, the USSR was attempting to purchase grain in international commodity markets to cover a substantial shortfall in USSR grain production in the 1977 grain crop.

It appears that CIA crop reporting forecasts of USSR grain production substantially understated Russia's crop production. I am interested in knowing what, if any, steps have been taken by the CIA to prevent a recurrence of the understating of crop estimates such as that which occurred with Russia in 1977. Accordingly, I would appreciate receiving information relating to improvements in crop reporting estimates for countries such as Russia, China, Eastern Europe, etc.

It would be appreciated if this information could be provided at your earliest opportunity.

Sincerely,

Sincerely,  
  
 Charles E. Grassley  
 Ranking Minority Member

MORI/CDF Page  
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CEG: jhw

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